

**Congress of the United States**  
**Washington, DC 20515**

May 1, 2017

The Honorable Edmund G. Brown, Jr.  
Governor, State of California  
State Capitol, Suite 1173  
Sacramento, CA 95814

Dear Governor Brown,

As we continue to fight to ensure that all Americans have access to high-quality affordable health care, it is crucial that funds from the passage of Proposition 56, the "California Healthcare, Research and Prevention Tobacco Tax Act of 2016" are used for their original intent – to improve access to care in the Medicaid program by increasing Medi-Cal reimbursement rates and funding for Graduate Medical Education programs.

With the success of expanded Medicaid coverage under the Affordable Care Act (ACA), it is critical that patients not only have Medi-Cal coverage, but that they also have access to providers who accept Medi-Cal, which has been challenging to many patients since the Medicaid expansion.

In this vein, we must address the physician shortage crisis plaguing our communities. Last year, the California Primary Care Association (CPCA) reported that, based on current trends, by 2030 California will need over 8,000 additional physicians in the primary care field alone. But having an adequate supply of primary care physicians is not enough to truly address the access issue – we must also tackle the provider shortage in the Medi-Cal program. California Medicaid provider payment rates rank 48<sup>th</sup> in the nation. Because rates are so low, providers must limit the number of Medi-Cal patients they can treat, contributing to patient's difficulty in trying to find a doctor. In fact, CPCA documents that primary care physician participation in Medi-Cal is approximately half of the federal recommendation.

Prop 56, which was adopted in November 2016 by California voters, increased the state excise tax on cigarettes and other tobacco products to provide funding for tobacco prevention and reduction programs, public health, and Graduate Medical Education. Additionally, the measure explicitly directed 82 percent of the remaining revenues to improve access to care by increasing payments for health care services and treatment for Medi-Cal patients.

We are concerned that your FY 2017-2018 state budget redirects Prop 56 revenues away from Graduate Medical Education programs intended to address California's physician shortages, as well as Medicaid payment increases intended to improve access to care for Medi-Cal patients.

This threatens the success of California's Medicaid expansion at a time when we're fighting to sustain it against attempts by the Administration to decrease Medicaid funding.

We urge you to fully restore the Prop 56 tobacco tax funding for its intended purpose. Now more than ever, we must be united in working to ensure that all Californians have access to the care that they need.

Sincerely,



Raul Ruiz, M.D.  
Member of Congress


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